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JEREMIAH W. (JAY) NIXON, GOVERNOR • BRIAN KINKADE, DIRECTOR

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November 10, 2014

The Honorable Jeremiah (Jay) Nixon
Governor
State Capitol, Room 216
Jefferson City, MO 65101

Dear Governor Nixon:

Attached you will find the Family Support Division, Child Support Enforcement's Centralized Collection Progress Report. According to RSMo 454.565, the division is required to report to the General Assembly regarding the Family Support Center by December 1st of each year.

If you have any questions please contact Alyson Campbell at 573-751-4247.

Respectfully,

Brian Kinkade
Director

BK/ju
Enclosure

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Family Support Payment Center (FSPC) Progress Report
Family Support Division-Child Support Enforcement
December 2014

As a result of state fiscal year (SFY) 2004 budget actions, the former Division of Child Support Enforcement (now "Family Support Division"), within the Department of Social Services, transferred Missouri's centralized support collection functions (the state disbursement unit) to the Department of Revenue in SFY 2004. Systems and Methods, Inc., through a contract with the Department of Revenue operates the state disbursement unit referred to as the Family Support Payment Center (FSPC). The Family Support Division, the IV-D agency for the State of Missouri, continues to retain statutory responsibility and accountability for the FSPC.

The FSPC operates six days per week, averaging 11 hours per day. The FSPC receipts payments in their computer system on the day received. Nightly, the FSPC system interfaces electronically with the Missouri Automated Child Support System (MACSS) to post payments. Once posted to a member, case or order number, MACSS distributes payments and produces a disbursement file. The following morning, MACSS transmits the disbursement file to the FSPC. The FSPC then disburses ninety-eight percent (98%) of payments to recipients electronically by direct deposit or on his or her prepaid card. The remaining two percent (2%) of disbursements are made by check.

The FSPC uses electronic methods to receive and disburse support funds.

- Electronic methods available for transmitting funds to the FSPC include:
 - On-line payment transmission;
 - Electronic funds transfer (EFT)/electronic data interchange (EDI); and
 - Automatic withdrawal from a designated bank account.
- Credit Card payments
- Electronic methods available for receiving support funds from the FSPC include:
 - Direct deposit to a designated bank account; and
 - Electronic transfer to the prepaid card. (Currently approximately 186,000 payees receive payments on the prepaid card).

Current average production operating statistics are as follows:

- Paper receipts processed per day: 3,614 (average low) to 18,072 (average high) *
- Dollar value of paper receipts processed per day: \$673,187 (average low) to \$3.6 million (average high). *
- Average turnaround time (posting to disbursement): 24 hours.
- Collection exceptions, such as unidentified items and insufficient funds, are resolved within five business days of receipt 100% of the time.
- Average electronic receipts processed daily: 8,533.
- Average dollar value of electronic receipts processed per day: \$1,375,703.
- * Does not include electronic receipts.

Systems and Methods, Inc., provides a call center for FSPC questions and customer service. Current average customer service operating statistics are as follows:

- Total average calls answered per day: 519

- Average calls per day from employer line: 18
 - Average calls per day from state agency line: 5
 - Average calls per day from parent line: 497
 - Average percentage rate of calls answered by first ring: 100%
 - Average correspondence resolved per day: 462
- Correspondence that requires action by state agency, circuit clerk, or prosecuting attorney is forwarded to the appropriate entity within 48 hours.

New contract was awarded April 12, 2013. Pricing under the new contract began on October 1, 2013.

- Costs for electronic receipts are 65 cents and 65 cents to process a paper receipt.
- Electronic disbursements are free when transferred to the card, 30 cents by paper check and 15 cents for a direct deposit.

FSPC expenditures incurred are as follows:

| | <u>Implementation Cost</u> | <u>Postage</u> | <u>Customer Service</u> | <u>Transactions (Paper/EFT)</u> |
|--------|--------------------------------|----------------|-------------------------|-------------------------------------|
| FY 00* | \$1,400,000 | | \$306,726 | \$3,401,769 |
| FY 01 | | | \$669,226 | \$6,503,106 |
| FY 02 | | | \$933,038 | \$6,893,585 |
| FY 03 | | | \$722,397 | \$7,150,827 |
| FY 04 | | \$128,723 | \$695,632 | \$7,270,332 |
| FY 05 | | \$442,158 | \$245,326 | \$6,733,088 |
| FY 06 | | \$437,644 | \$248,232 | \$6,747,288 |
| FY 07 | | \$476,741 | \$237,174 | \$4,577,450 |
| FY 08 | | \$505,830 | \$252,575 | \$4,609,693 |
| FY 09 | | \$536,805 | \$268,255 | \$4,664,311 |
| FY 10 | | \$562,178 | \$222,814 | \$4,130,544 |
| FY 11 | | \$549,528 | \$189,136 | \$4,121,975 |
| FY 12 | | \$554,994 | \$183,394 | \$4,133,332 |
| FY 13 | | \$546,961 | \$168,486 | \$4,007,078 |

| | <u>Postage</u> | <u>Customer Service</u> | <u>Transactions (Paper/EFT)</u> |
|-------------------------|----------------|-------------------------|-------------------------------------|
| FY 14 | \$556,220 | \$163,553 | \$3,247,440 |
| FY 15 (through October) | \$173,820 | \$41,858 | \$1,037,202 |

*The FSPC began operating in October of 1999.

The FSPC began sending billing statements and coupons to noncustodial parents in August 2003.